

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al. : 08-13555 (JMP)
Debtors. : (Jointly Administered)
: :

**ORDER PURSUANT TO RULE 9019 OF THE FEDERAL RULES
OF BANKRUPTCY PROCEDURE FOR APPROVAL OF SETTLEMENT
AGREEMENT AND INDEMNITY BETWEEN LEHMAN BROTHERS
SPECIAL FINANCING INC. AND BANK OF AMERICA, N.A., AS TRUSTEE,
RELATING TO A CREDIT DEFAULT SWAP AGREEMENT**

Upon the motion, dated March 29, 2013 (the “Motion”), of Lehman Brothers Holdings Inc. as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors, on behalf of Lehman Brothers Special Financing Inc., pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for approval of a settlement agreement and an indemnity agreement between LBSF and Bank of America, N.A., as successor by merger to LaSalle Bank National Association, as Trustee (the “Trustee”), relating to a credit default swap agreement, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the procedures set

forth in the amended order entered on June 17, 2010, governing case management and administrative procedures for these cases [ECF No. 9635] on (i) the U.S. Trustee for Region 2; (ii) the Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; (v) the attorneys for the Trustee; and (vi) all parties who have requested notice in the Chapter 11 Cases, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of LBSF, its estate, its creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 9019, the Settlement Agreement¹ and the Indemnity Agreement are approved; and it is further

ORDERED that LBSF is authorized to execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and to take any and all actions reasonably necessary or appropriate to consummate the Settlement Agreement and the Indemnity Agreement and to perform any and all obligations contemplated therein; and it is further

ORDERED that the Trustee is authorized and directed to pay the CDS Payment Amount and the Trustee Amount from amounts standing to the Reserve Account; and it is further

ORDERED that the Trustee is authorized and directed to effectuate the Wind-Down Provisions; and it is further

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

ORDERED that the Trustee is authorized and directed to pay the Priority Subsequent Payments from the proceeds of such liquidation, and to distribute the remaining proceeds thereof in accordance with the terms set forth in the Indenture; and it is further

ORDERED that, provided that the Trustee has complied with its duties under this Order, the Settlement Agreement, and the Indemnity Agreement as set forth in the preceding paragraphs, the Trustee will be deemed to have acted reasonably and in good faith, and it shall not be deemed to have acted negligently or other than as a prudent person would under the circumstances; and it is further

ORDERED that the terms of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

**Dated: May 16, 2013
New York, New York**

/s/ James M. Peck

**Hon. James M. Peck
United States Bankruptcy Judge**